GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1911
ANSWERED ON:24.08.2007
CREDIT FOR AGRICULTURE SECTOR
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set disbursement targets for Public Sector Banks for production and investment in the farm sector, during the last two years;

(b) if so, the details thereof; and

(c) the step taken by the Government to ensure credit disbursement for agriculture purposes?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): On 18th June, 2004, the Government announced a package for doubling the flow of credit to agriculture and allied activities in a period, of three years i.e. from 2004-05 to 2006-07. Although no specific target was set for the Public Sector Banks, the details of target for agricultural credit, flow by all banks during 200506 to 2007-08 is as follows-

Year	Target
2005-06	1,41,000
2006-07	1,75,000
2007-08	2,25,000

(c): The Government has taken the following steps to ensure credit disbursement for agriculture purposes :-

Short Term crop !oa.ns upto Rs.3 lakh is being disbursed @ 7% per annum at the ground leve 1.

Commercial Banks and Regional Rural Banks have been advised to finance 50 lakhs new finance during each of the last three years.

The Banks have been advised to simplify the procedure for documentation for agricultural loans.

Loans upto Rs.50,000/- have been made collateral, and margin free. Besides, no `No Dues Certificate` is required for such amount of loan,